

Supporting a Commonwealth of Communities

Local Assessment Workshops

Spring 2017

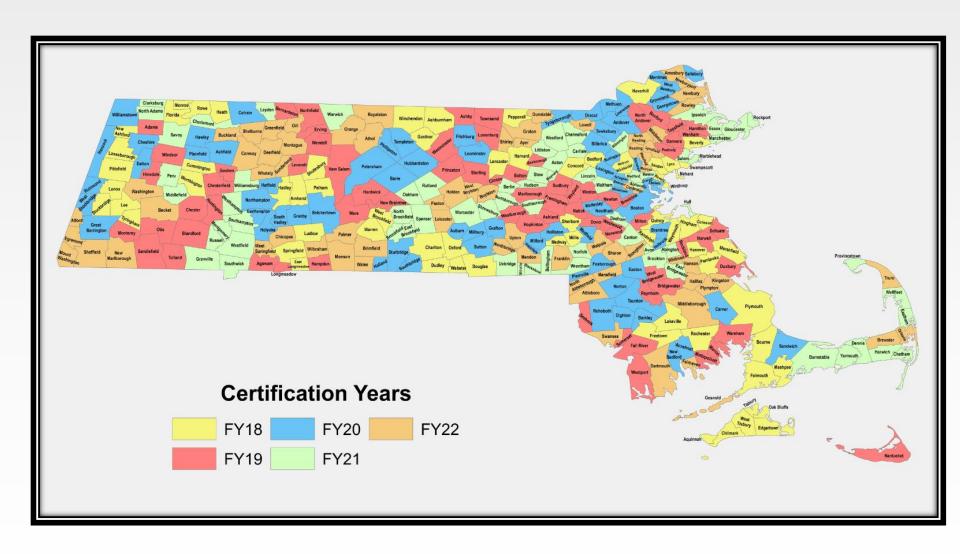
Objectives

- Overview of 5-year CertificationStandards
- Local Officials Directory
- New Growth Tips
- Solar Update and 61A Exemption
- Filing Property Tax Exemptions & Local Options
- Describe Overlay Changes for FY18

5- Year Certification

St. 2016 c. 218, § 35-36,250

5-Year Cycle Begins FY18



Advisor Role in FY 18

Certification Assignments:

On average: Staff assigned 7 to 8 communities each....

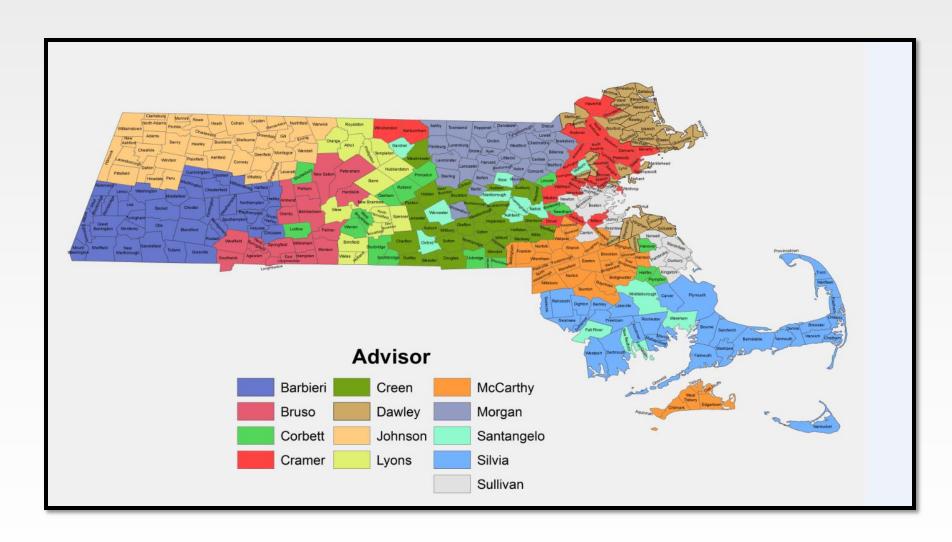
Plus

Interim Year Review...

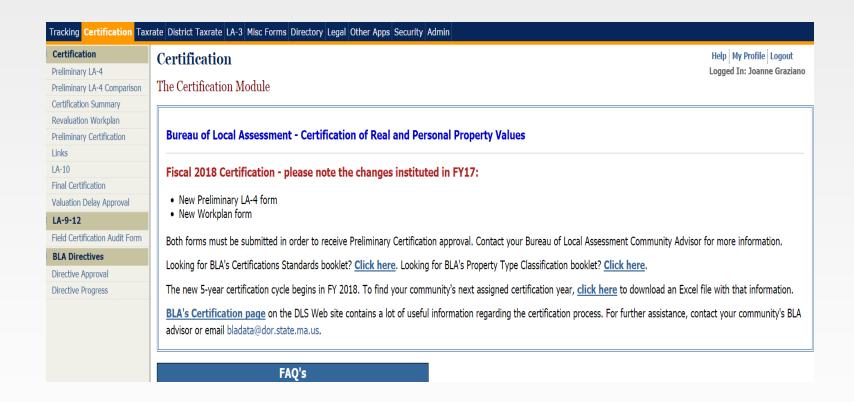
**Advisors now reviewing LA3 for interim and also LA15



Assignments FY 2018



Updated IGR Certification Standards



Certification Standards Highlights

Real Property Data Collection

- 10 year recollection program for real property.
- What's your due date now?
- Add on one year to your current cycle.



Certification Standard Highlights

Personal Property Data Collection

- 5 year recollection program for personal property.
- What's your due date now?
- 5 Year going forward once recertified.



Certification Statistics

- Sale groups with less than 5 sales may increase time frame analysis up to 5 years in length.
- Use additional sales for support only not part of LA3 submission, which is still up to 2 years only.
- Local Home Price Index study allowed for time trending if applicable to community.

Certification Statistics

 Land residual minimum statistical requirements no longer being reported

 Evidence of land valuation methodology used to develop schedules is required

Methods for Land Valuation

- Sales Comparison (Vacant Land Sales)
- Abstraction (Land Residual)
- Allocation
- Capitalization of ground rent
- Land residual capitalization
- Residential applied (e.g. rural communities)
- Other

Valuation Review

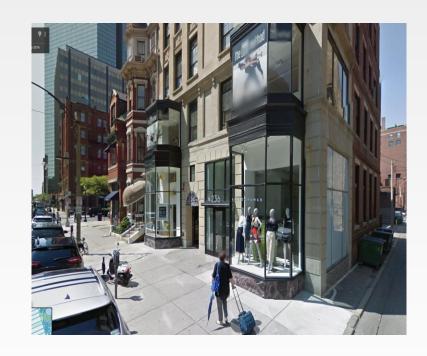
- Removal of 25% minimum field review requirement of proposed values once finalized for certification.
- Best practices still recommend a review to ensure uniformity and maintain equity between the property classes.

CAMA Conversion?

New valuation system or conversion requires full field review although with special permission, a desktop review of data could be granted.

Provided...

- Initial <u>physical</u> <u>inspections are timely</u> completed.
- Jurisdictions should employ a set of <u>digital imaging</u> <u>technology tools.</u>
- Assessors must answer
 BLA list of questions and submit this request for approval. (CF-6)



Street-level imagery = Streetview (Google) = Streetside (Bing)

Assessor's Webpage

Include the following features

Office hours, locations
Contact information
Annual Property Information
News releases
Appeals Process
Exemptions
FAQ
Maps
Taxpayers Forms



Interim Year Review

Requirements:

- LA3 Sales Report
- LA15 Interim Year Review Report

No Change

Central Valuation

Timelines are the same for Telephones/Pipelines

BLA Issue Valuations:
June 15th

Appeal @ ATB:
July 15th

**Also allows one party to appeal at the ATB in response to another's party filing after July 15th. Appeal must be filed by July 30th or 15 days after receiving notice of appeal – whichever is later.

State Owned Land 2017

BLA will value State Owned Land using a statutory formula based on each community's 2017 valuation and updated every two years using the community's equalized valuation.

Post Values:

Public Hearing:

Revised Values:

Appeal@ ATB:

ATB:

Final Values:

June 1st, 2017

June 10th 2017

July 20, 2017

August 10th, 2017

Jan. 20th 2018

Jan. 30th, 2018

Certification Checklist

- Workplan should be entered in Gateway
- Advisors will be asking for prior year cost tables and final cost tables used for revaluation review
- Board of Assessors and assessing staff owning property in the town being reviewed shall submit their property record cards to field advisors.



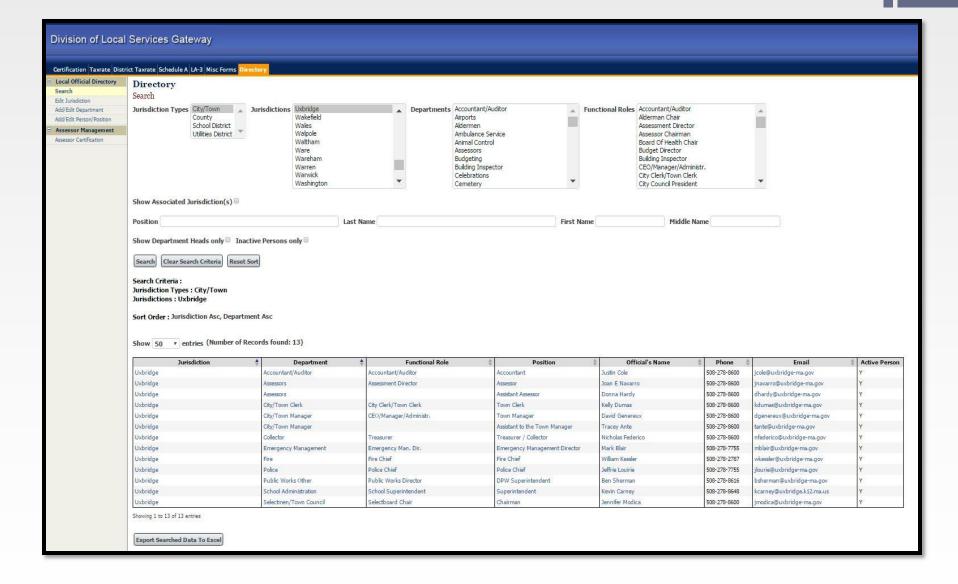
Local Officials Directory New Growth Tips

Gateway Directory (LOD) Certification of Assessing Staff

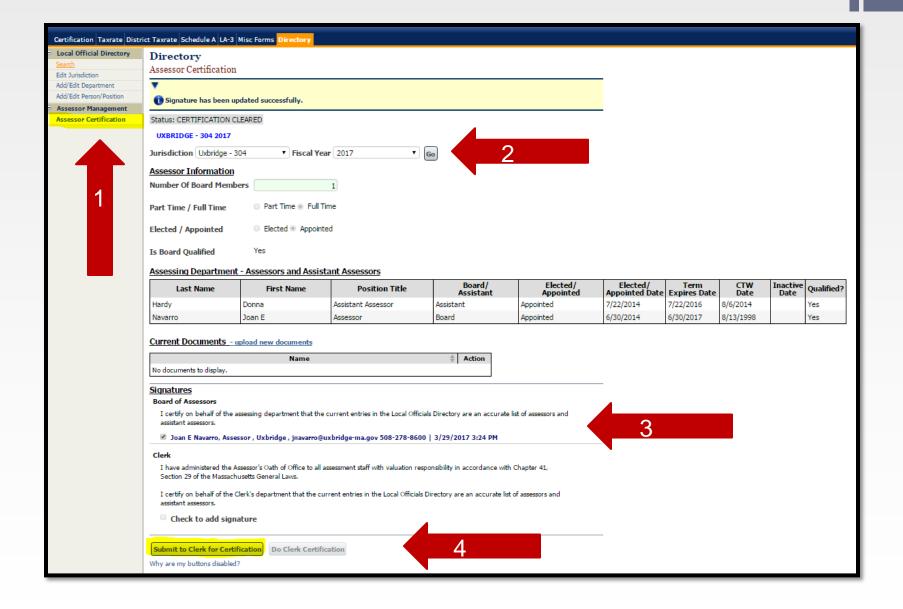
FY18 Program Changes

- Search page has updated its look
- Signature page new look and relocated to "Assessor Certification" link
 - Sign off is now fiscal year specific

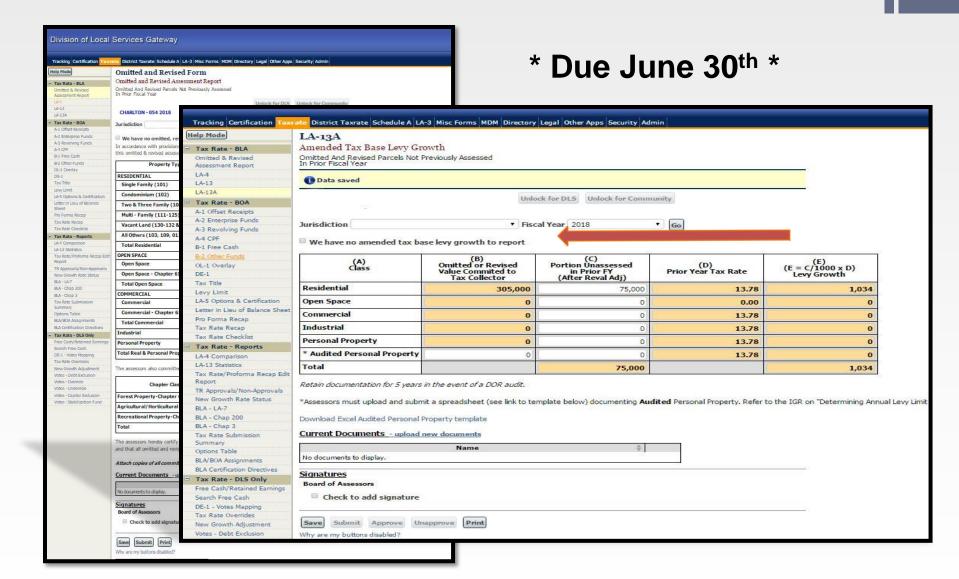
Gateway Local Official Directory - Search Page



Gateway – Assessor Certification



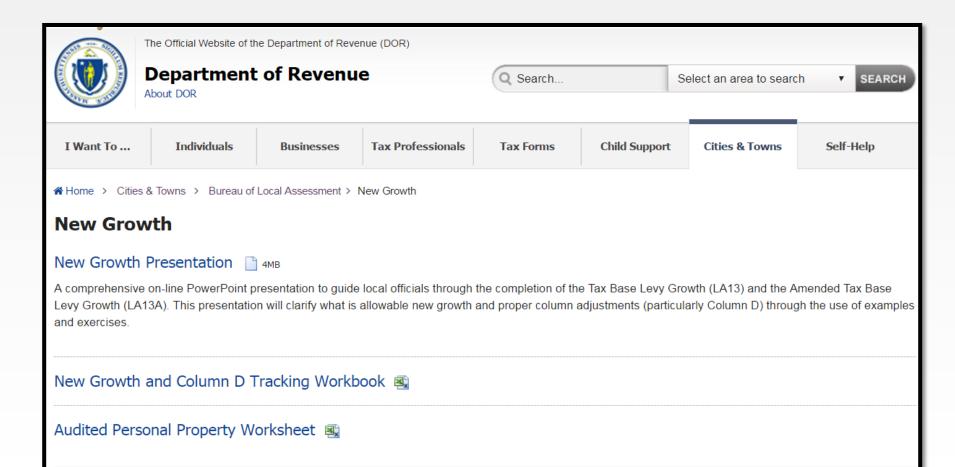
Omitted and Revised Form



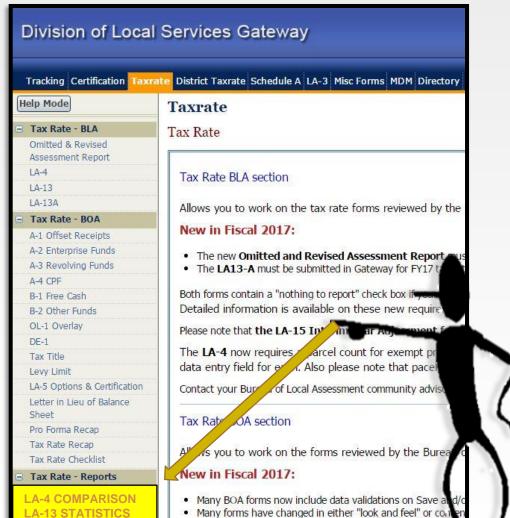
New Growth Webpage

Now on the web:

http://www.mass.gov/dor/local-officials/assessor-info/new-home-page/



LA4 & New Growth Gateway Tools



In the DLS Reports section, please review the Tax Rate/P

***** LA-4 Comparison:

compares assessed values and parcel counts by each class code from previous year to current and notes % change.

★ LA-13 Statistics:

Compares current growth to previous 3 year average. Isolates and compares major classes of growth to value change and more...

Comparison Report

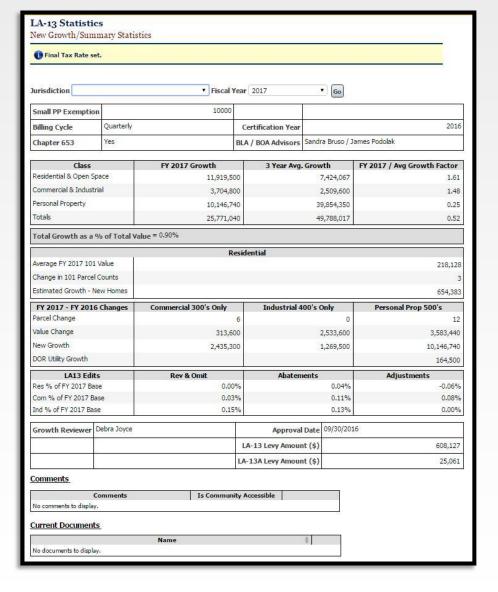
Do large variances make sense?

Assessors
should review
prior to
submitting
and be
prepared to
explain large
differences.



Property Type	Description	FY 2016 Parcel Count	FY 2016 Assessed Value	FY 2017 Parcel Count	FY 2017 Assessed Value	Parcel Difference	Parcel % Difference	Assessed Value Difference	Assessed Value % Difference
101	Single Family	2,068	510,075,800	2,086	531,669,100	18	0.9%	21,593,300	4.2%
102	Condominiums	350	55,530,900	352	56,338,600	2	0.6%	807,700	1.5%
MISC 103,109	Miscellaneous Residential	43	13,090,700	44	14,195,300	1	2.3%	1,104,600	8.4%
104	Two - Family	263	55,507,200	262	58,340,200	-1	-0.4%	2,833,000	5.1%
105	Three - Family	49	8,379,500	49	8,693,500	0		314,000	3.7%
111-125	Apartment	57	18,359,232	55	18,620,054	-2	-3.5%	260,822	1.4%
130-32,106	Vacant / Accessory Land	451	16,436,800	466	19,474,100	15	3.3%	3,037,300	18.5%
200-231	Open Space	0	0	0	0	0		0	
300-393	Commercial	82	20,317,200	82	23,234,700	0		2,917,500	14.4%
400-442	Industrial	57	24,821,633	54	7,926,400	-3	-5.3%	-16,895,233	-68.1%
450-452	Industrial Power Plant	0	0	1	16,854,574	1	100.0%	16,854,574	100.0%
CH 61 LAND	Forest	0 7	6,700	3 4	7,500	0		800	11.9%
CH 61A LAND	Agriculture	0 24	139,300	13 11	171,000	0		31,700	22.8%
CH 61B LAND	Recreational	0 0	0	0 0	0	0		0	
012-043	Multi-use - Residential	27	762,390	26	4,579,567	-1	-3.7%	3,817,177	500.7%
012-043	Multi-use - Open Space	0	0	0	0	0		0	
012-043	Multi-use - Commercial	0	6,417,278	0	2,539,279	0		-3,877,999	-60.4%
012-043	Multi-use - Industrial	0	27,900	0	0	0		-27,900	-100%
501	Individuals / Partnerships / Associations / Trusts / LLC	73	2,767,625	71	2,530,202	-2	-2.7%	-237,423	-8.6%
502	Corporations	53	2,401,470	55	2,792,270	2	3.8%	390,800	16.3%
503	Manufacturing	0	0	0	0	0		0	
504	Public Utilities	4	106,528,826	4	11,654,730	0		-94,874,096	-89.1%
505	Centrally Valued Telephone	5	4,652,200	5	4,521,300	0		-130,900	-2.8%
506	Centrally Valued Pipelines	2	6,151,000	2	7,608,300	0		1,457,300	23.7%
508	Wireless Telephone	2	177,100	2	181,300	0		4,200	2.4%
550-552	Electric Generating Plant	0	0	1	95,509,256	1	100.0%	95,509,256	100.0%
EXEMPT VALUE	Exempt Property	0	75,791,500	162	97,661,000	162	100.0%	21,869,500	28.9%
Total Class 1	TOTAL RESIDENTIAL	3,308	678,142,522	3,340	711,910,421	32	1.0%	33,767,899	5.0%
Total Class 2	TOTAL OPEN SPACE	0	0	0	0	0		0	
Total Class 3	TOTAL COMMERCIAL	113	26,880,478	113	25,952,479	0		-927,999	-3.5%
Total Class 4	TOTAL INDUSTRIAL	57	24,849,533	55	24,780,974	-2	-3.5%	-68,559	-0.3%
Total Class 5	TOTAL PERSONAL PROPERTY	139	122,678,221	140	124,797,358	1	0.7%	2,119,137	1.7%
Total Taxable	TOTAL REAL & PERSONAL	3,617	852,550,754	3,648	887,441,232	31	0.9%	34,890,478	4.1%

LA13 Statistics Report



- Verify DLS has correct information regarding local tax billing. ie. PP Exemption, billing cycle, Ch. 653 status.
- Review 3 year average / Avg
 Growth Factor. Explain large
 variations and/or attach
 documentation to the LA13 form.
- Determine if new 101 construction has a higher value than, "Avg 101 Value" listed. How many 101 starts completed from prior year?
- Check "LA13 Edits" large percentages need an explanation.

Solar Update and 61A Exemption What Changed? Why did it Change?



What Changed?

Solar Electric Generation Tip List

ASSESSMENT OF RENEWABLE ENERGY GENERATING FACILITIES, SYSTEMS, OR DEVICES March 1, 2017

	Who Owns the Renewable Energy Generating Assets?	Taxable?	Exemption Applicable?	Method
	A	ASSETS OWNED BY GOVERN	MENTAL ENTITY	
1	Municipal light plant	NO. However, if the land owned by the municipality is located in another municipality and was acquired on or after 12/1946, the municipal owner may have to make a statutory payment in lieu of taxes (PILOT) to the bost community based on the land valuation. G.L. c. 59, § SF.	YES. Real and personal property of city or town held for a public purpose is exempt by common law. See Collector of Taxes of Milton v. Boston, 278 Mass. 274 (1932); Board of Garand Electric Commissioners of Middlebornagh v. Board of Assessors of Lakeville, 355 Mass. 387 (1969).	G.L. c. 59, § 5F PILOT is determined in accordance with methodology prescribed in the statute and explained in IGR 88-407.
2	Municipal light plant cooperative	NO. However, the cooperative must make a PILOT to the host community. G.L. c. 164, § 47C(j).	YES. Cooperative real and personal property is exempt by statute. G.L. 164, § 47C(j).	G.L. c. 164, § 47C(j) PILOT is the amount the cooperative would pay in real and personal property taxes as a corporation.
3	Other governmental entity (e.g. Commonwealth, county, municipal)	NO. However, if the land is awned by a municipality and is located in another municipality, or district and located outside district, the municipal or district owner may be subject to a G.L. c. 59, § 5F PILOT. See A.I. above.	YES. Real and personal property is exempt by statute, G.L. 59, § 5, Clause Second (Commonwealth), or common law (Municipality or District). See A.1 above.	See A.1 above.

	Who Owns the Renewable Energy Generating Assets?	Taxable?	Exemption Applicable?	Method
	B. AS			
1	Removable generating or wholosale generating company under G.L. c. 164. § I learing real property owned by governmental entity	VES. The lessee is treated as the fee owner of the land and subject to so year of the land and subject to the lessee that the lessee could abbain if the actual fee owner. Generation plant tax payment in the of the QFLOT) 38H(b). This PILOT is a tax stability or restructuring agreement, i.e., it is a negotiated payment structure that is supposed to reasonably approximate the trace that the agreement. It is not a tax reduction or exemption agreement. PILOTs are part of the tax levy for Proposition 22 and tax classification purposes. I ax Increment Financing (11) of the proposition of the p	DEPENDS. If a solar or wind generating plant, system or device, the plant, system or device, the street of the control of the	The renewable energy assessed and be assessed and be assessed to the generating company as part of the leased real estate on which they are located. Alternatively, the renewable energy assets may be assessed suparately to the generating company as personal property.

	Who Owns the Renewable Energy Generating Assets?	Taxable?	Exemption Applicable?	Method
2	Other private person or entity leasing real property owned by governmental entity	YFS. The lessee is treated as the fee owner of the land and subject to real estate taxation under GL. c. c. 59, § 2B. However, the lesses may obtain special tax treatment from the manicipality that the lessee could obtain if the setual fee owner. TIP Agreement. See B.1 above.	See B.l ahove	The renewable energy assets may be assessed to the person or entity as part of the leased real estate on which they are located. Alternatively, the renewable energy assets may be assessed separately to the person or entity as personal property.
3	Renewable generating or wholesale generating company on privately owned real property	YES. However, the asset owner may obtain special tax treatment: Generation plane PILOT tax agreement. See B.1 above. TIP Agreement. See B.1 nhove.	DEPENDS. If a solar or wind generating plant, system or device, the asset is not exempt under G.L. c., 59, \$745.7, The energy is usually intended for commercial solar and use off-site. DLS position has long been that the exemption requires the electricity generated to be used to meet the power needs of the hazable property where the asset is sited (or associated toxable parcel of the same owner). But see ATB decisions exempting systems or devices used to allocate energy to grid or other properties under same or different ownership. Fursual Eulerpies, Inc. v. Assessors of Westborough, Muss. ATB Findings of Faet	If the land is owned by the generating company, the renewable energy assets should be assessed to the company as part of the roal estate on which they are located. However, if the land is owned by another party, the renewable energy assets may be assessed separately to the company as personal property. If the municipality is entering into a PILOT agreement with the generating company, the assets and be assets and be assets as about be treated as personal reportry since the land owner is not a generating company. The assets about be treated as personal reportry since the land owner is not a generating company.

		,	and Report 2014-1025, and KTT, Inc. v. Assessors of Swansea, Mass. ATB Findings of Fact and Report 2016-1426. Assessors can decide to exempt or can await guidance from appellate court.	
	Who Owns the Renewable Energy Generating Assets?	Taxable?	Exemption Applicable?	Method
4	Private person or entity other than a renewable generating or wholesale generating company on privately owned real property	YES. However, the asset owner may obtain special tax treatment: TIF Agreement. See B.1 above.	See B.3 above	See B.3 above.

Why did it Change?

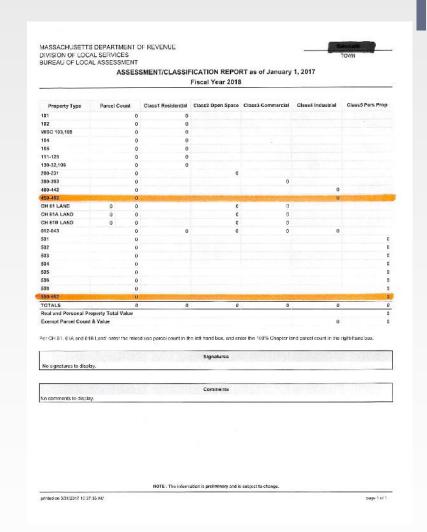
- ATB decisions exempting systems or devices used to allocate energy to grid or other properties under same or different ownership.
- Forestall Enterprises, Inc. v. Assessors of Westborough, Mass. ATB Findings of Fact and Report 2014-1025
- KTT, Inc. v. Assessors of Swansea, Mass. ATB Findings of Fact and Report 2016-1426, which is on appeal. (Appeals Court 2017-P043)
- Assessors can decide to exempt or can await guidance from appellate court.



Taxable Solar

- Taxed without agreement
- Taxed under 38H(b)
 Value is based on agreed payment

Both reported as real and/or personal property on the LA4...



Exempt Solar

BOA deems exempt

If a PILOT
 payment is
 offered, report
 payment on page
 3 of the recap

MASSACHUSETTS DEPARTMENT OF REVENUE DIVISION OF LOCAL SERVICES BUREAU OF ACCOUNTS



TAX RATE RECAPITULATION Fiscal Year 2018

		LOGAL RECEIPTS NOT ALL	OCATED."	
		Receipt Type Description	(a) Actual Receipts Fiscal 2017	(b) Estimated Receipts Fiscal 2018
>	1.	MOTOR VEHICLE EXCISE	0.00	0.00
	2.	OTHER EXCISE		
>		a.Meals	0.00	0.00
>		a.Roem	0.00	3.00
>		o Other	0.00	0.00
==>	3.	PENALTIES AND INTEREST ON TAXES AND EXCISES	0.00	0.00
983	4.	PAYMENTS IN LIEU OF TAXES	D380	0.00
	5.	CHARGES FOR SERVICES - WATER	0.00	0.00
	6.	CHARGES FOR SERVICES - SEWER	0.00	0.00
	7.	CHARGES FOR SERVICES - HOSPITAL	0.00	0.00
	8.	CHARGES FOR SERVICES - SOLID WASTE FEES	0.00	0.00
	9.	OTHER CHARGES FOR SERVICES	0.00	0.00
	13.	FEES	0.00	0.00
	11.	RENTALS	0.00	0.00
	12.	DEPARTMENTAL REVENUE - 3CHOOLS	0.00	0.00
	13.	DEPARTMENTAL REVENUE - LIBRARIES	0.00	0.00
	14.	DEPARTMENTAL REVENUE - CEMETERIES	0.00	0.00
	15.	DEPARTMENTAL REVENUE - RECREATION	0.00	0.00
	18.	OTHER DEPARTMENTAL REVENUE	0.00	0.00
	17.	LICENSES AND PERMITS	0.00	0.00
	19.	SPECIAL ASSESSMENTS	0.00	9.00
	19.	FINES AND FORFEITS-	0.00	0.00
	20.	INVESTMENT INCOME	0.00	0.00
***	21.	MEDICAID REIMBURSEMENT	0.00	0.03
***	22	MISCELLANEOUS RECURRING (PLEASE SPECIFY)	0.00	0.03
	23.	MISCELLANEOUS NON-REGURRING (PLEASE SPECIFY)	0.00	0.03
	24.	Totals	6.00	0.60

Thereby certify that the actual receipts as shown in column (a) are, to the bast of my knowledge correct and complete, and if further settly that it have expended the entires made on page 4 of the Fixed 2016 lax rate receipturation from thy not City. However District Glock and hereby acknowledge that such writing such such as provided to a progression smaller and the sucreas from which such approximation safe to be used.

Nelogratures to display

area Written occumentation should be submitted to support increasee/ decreases of FY 2018 eathering receipts to FY 2017 estimated requirits to be used in calculating the Municipal Hevenus Growth Factor (MRGF).

NOTE: The information is preliminary and is subject to change

project of 4

^{*} tion not include modapits in columns (a) or (a) that were voted by the City if own / District Council or Town Meeting as offset receipts on Schedule A-2, or revolving it mas on Schedule A-3. Written documentation should be submitted to support increases / decreases of estimated modals to

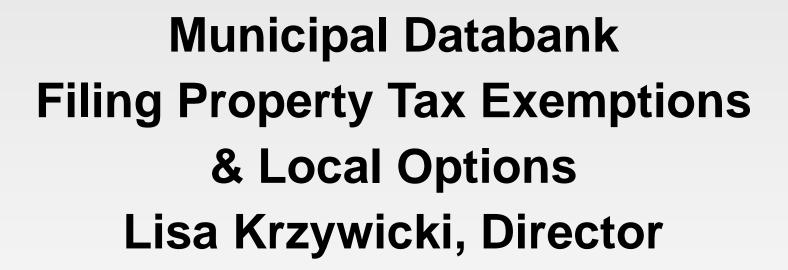
Chapter 61A Land with Solar

- §§ 172-174 Amends G.L. 61A, §§ 2A and 13
- Defines classified 61A site of renewal energy system supplying power to farm and agricultural or horticultural use.
 - Applies only to systems that produce 125% or less of the energy needed exclusively for the farmland.
 - The farmland includes contiguous and noncontiguous land owned or leased by the farm owner.
 - Installations of systems on classified land are **not** subject to penalty tax (5 year rollback or conveyance tax when change occurs within 10 years of acquisition).
 - Discontinuation of the solar also not subject to penalty.

Cranberry Bogs 61A

- FY 2018: There are two additional categories designating an upper and lower range value for cranberry acreage rates for 61A.
- Extends special exemption from the annual gross sales requirement for cranberry bogs until 2020.







Filing Property Tax Exemption Reimbursement Request

- What's the deadline?
 - Legal deadline end of the fiscal year
 - Best practice deadline as soon as you finish your abatement period and all requests have been finalized
- How do we file?
 - Requests are filed through Gateway's Misc. Forms



Is there an order to how we should submit?

Yes, if you look at how they appear on the menu that is the order we need you to submit the information: Paraplegics, Veterans, Retroactive 22D (if any) and MDM-1

What's new with Gateway?

- No longer need to wait for approval of the paraplegic request before continuing
- Single approval of MDM-1 approves all forms
- Amount on paraplegics was adjusted from \$400 to \$175

Local Options Relating to Property Taxes

- What should be submitted to Databank?
 - Notifications of Acceptance for:
 - Residential exemption, small commercial exemption, assessment on new construction (see below for others)

				Assessment on	Assessment on						Chapter 61	Chapter 61	Chapter 61A	Chapter 61B	
				New	New	Hopkinton				Brownfields	Taxed as	Taxed as	Taxed as	Taxed as	
				Construction	Construction	Supplemental	Residential	Small	Personal	Environmental	Open Space	Open Space	Open Space	Open Space	
D	OR			(Ch653) Yr	(Ch653) Yr	Tax Assmnt	Exemption	Commercial	Property	Tax Date	Year	Year	Year	Year	R&D
C	ode	Municipality	Billing Cycle	Adopted	Rescinded	Date Rescinded	Percentage	Exemption	Exemption	Accepted	Adopted	Adopted	Adopted	Adopted	Accepted

Proper	Property Tax Exemption Clauses									Claus	se 41C Op	otion
		Date Adopted	Surviving Spouse			Elderly Person						
DOR		Clause 37A	Exemption	Clause 17 cap	Date	Exemption				41C Income	41C Income	41C
Code	Municipality	Blind Exemption	Clause Adopted	(if applicable)	Adopted	Clause Adopted	Date Adopted	41C Age	41C Amount	if Single	if Married	if !

- Who sends this information in?
 - Typically the town clerks should notify us, but in some of these instances it is the assessors office that is more aware it is happening

Bureau of Accounts Overlay Changes for FY18

Overlay

- Overlay is now one account and does not need to be kept by year
- We will be looking for you to maintain a five year average on the Recap
- Not raising any Overlay in a given Fiscal Year, new policy to be developed
- IGR No. 16-104 November 2016
- City and Town Article March 17, 2017

New OL-1

BUREAU OF ACCOUNTS SCHEDULE OL-1 OVERLAY WORKSHEET

City/Town/District: CITY/TOWN/DISTRICT

1	Overla	v raised	per recap
١.	Ovena	y raiseu	hei iecah

- 2. Overlay deficits raised
- Less total abatements and exemptions charged through June 30th
- 4. Less amount transferred to overlay surplus prior to June 30th
- 5. Totals should equal FY2016 balance sheet
- 6. Less amount transferred to overlay surplus after June 30th
- 7. Current overlay balance
- 8. Potential additional liability (ATB Cases)
- 9. Total potential liability (add 3+6)

A. FY2016	B. FY2015	C. FY2014	B. FY2013	C. FY2012	D. PRIOR YRS	E. TOTAL
0	0	0	0	0		0
0	0	0	0	0		0
0	0	0	0	0	0	0
						0
0	0	0	0	0		

10. Five year average abatements & exemptions

5 year average abatements & exemptions

C

Contact us

<u>Local Assessment</u> bladata@dor.state.ma.us

Muni Data Bank databank@dor.state.ma.us

Bureau Of Accounts boadata@dor.state.ma.us

